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August 9, 2005

JOHN W. FLITTER
DIRECTOR
ELECTRIC & GAS REGULATION

Charles L.A. Terreni, Esq.
Chief Clerk & Administrator
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29210

Re: Docket No. 2005-234-E – Petition of Duke Power Company to Adopt New Decommissioning Funding Rates Effective January 1, 2005.

Dear Mr. Terreni,

This is to acknowledge that the Office of Regulatory Staff (ORS) has reviewed the above referenced filing and based on the following ORS has no objection to the Company's request for an Accounting Order only in this matter. The Company states in the Application these new nuclear depreciation rates will not involve a change to any of Duke Power's rates or prices, or any Commission rule, regulation or policy. The Company also asserts that the issuance of such Accounting Order is not precedential and will not prejudice any party's right to address this issue in a subsequent general rate case proceeding. ORS would note that the cumulative results of the new decommissioning study results in a reduction to the annual South Carolina jurisdictional funding requirement of \$2,677,000 from the previous level.

Thank you for the opportunity to provide our comments in this matter.

Sincerely,



John W. Flitter

JWF/sh

cc: Dan F. Arnett, Chief of Staff, SC ORS
Florence Belser, General Counsel, SC ORS
William F. Austin, Esquire
Dr. James Spearman, Executive Assist, PSC
F. David Butler, Attorney, PSC